



January 22, 2020

To whom it may concern:

Company name: Taiyo Nippon Sanso Corporation
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Representative Director, President CEO
(TSE Code: 4091, First Section of the TSE)
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**Notice of Transition to a Holding Company Structure Through Company Split,
Incorporation of a Subsidiary (Company-Split Preparation Company), and
Partial Amendment to the Articles of Incorporation (Tradenname Change)**

Taiyo Nippon Sanso Corporation (“TNSC”) has resolved at its board of directors meeting held today to implement a transition to a holding company structure by way of a company split (absorption-type company split) tentatively effective on October 1, 2020, and to incorporate a company-split preparation company to facilitate preparation of the process.

TNSC has also resolved to change its tradenname to “Nippon Sanso Holdings Corporation” tentatively effective on October 1, 2020, upon becoming a holding company by the transition to a holding company structure.

The proposed transition to a holding company structure and partial amendment to the Articles of Incorporation will be implemented, subject to the approval of the relevant agenda at TNSC’s ordinary general meeting of shareholders scheduled for late June 2020, and obtaining authorization of the competent authorities, as necessary.

I. Transition to a Holding Company Structure Through Company Split

1. Background to, and objectives of, the transition to a holding company structure

TNSC has been solidly expanding its industrial gases business in Japan, the United States, and Asia/Oceania with the strategy to “promote globalization” under the current Ortus Stage 2 medium-term management plan. With the addition of part of the European business of U.S. Praxair, Inc. acquired in December 2018, TNSC group’s industrial gases business now operates under a four-hub framework spanning Japan, the United States, Europe, and Asia/Oceania. In order to further advance TNSC group in the rapidly-changing global political and economic environment, TNSC sees the need to break away from its conventional domestic business-centered management framework and establish a competitive group operation framework as a global gas major. Accordingly, TNSC has decided to implement a transition to a holding company structure, contemplating the following objectives.

For the post-transition structure (image), please see 6. below.

- (1) Speedier decision-making through authority delegation, and appropriate management resource allocation

TNSC will further the authority delegation to each region and expedite its decision-making in order to accurately respond to the market and customer changes in the respective regions. On the other hand, TNSC, as the holding company, will work to devise the entire group's strategies (such as growth-oriented and appropriate management resource allocation), ensure compliance and enhance its risk management framework.

- (2) Greater clarity in business execution responsibilities and performance

TNSC will clarify the business execution responsibilities in each region with a four-hub business promotion framework spanning Japan, the United States, Europe, and Asia/Oceania. By changing the Japanese operation to a holding company structure and having the subsidiary succeeding to the domestic gases business specialize in that business, TNSC will work to achieve sustainable business growth, together with the other three hubs.

- (3) Enhance the group's comprehensive capabilities by sharing regional strengths and advantages

TNSC group has strengths in the business domains and technical fields in the respective regions. As the holding company, TNSC will further boost the group's comprehensive capabilities by promoting the sharing of those regional strengths globally.

2. Method of transition

The transition to a holding company structure will be implemented by: incorporating a company-split preparation company (which will be TNSC's wholly-owned subsidiary) first and making TNSC a company splitting in an absorption-type split; and then conducting an absorption-type company split where the company-split preparation company succeeds to TNSC's domestic industrial gas and related device manufacturing and sales business as a succeeding company in the absorption-type split (the "Company Split").

TNSC will become the holding company of each operating company, perform the group's controlling function, and maintain its listing as a holding company.

Shareholders will be requested to approve the specifics at the ordinary general meeting of shareholders in late June 2020.

3. Overview of the company-split preparation company

(1)	Tradename	Taiyo Nippon Sanso Split Preparation Corporation
(2)	Address	3-26 Koyama 1-chome, Shinagawa-ku, Tokyo
(3)	Representative	Yujiro Ichihara, Representative Director, President
(4)	Details of business	Manufacture and sale of industrial gases and related devices (the company will not engage in any business before the Company Split.)
(5)	Stated capital	25,000,000 yen
(6)	Date of incorporation	February 4, 2020 (tentative)
(7)	Number of outstanding shares	100,000 shares

(8)	Fiscal year-end	March 31	
(9)	Major shareholder and shareholding ratio	Taiyo Nippon Sanso Corporation: 100%	
(10)	Relationships between the listed company and the company	Capital relationship	The company will be incorporated as TNSC's wholly-owned subsidiary.
		Human resources relationship	TNSC will dispatch directors to the company.
		Business relationship	There is no business relationship with TNSC, as the company has not commenced business operations.

(Note) The company-split preparation company will change its tradename to Taiyo Nippon Sanso Corporation as of October 1, 2020.

4. Timetable

February 4, 2020 (tentative)	Incorporation of the company-split preparation company
Mid-May 2020 (tentative)	Approval of an absorption-type company split agreement by TNSC's board of directors
Mid-May 2020 (tentative)	Execution of the absorption-type company split agreement
Late June 2020 (tentative)	Approval of the agenda regarding the absorption-type company split agreement at the ordinary general meeting of shareholders
October 1, 2020 (tentative)	The company split takes effect; transition to a holding company structure

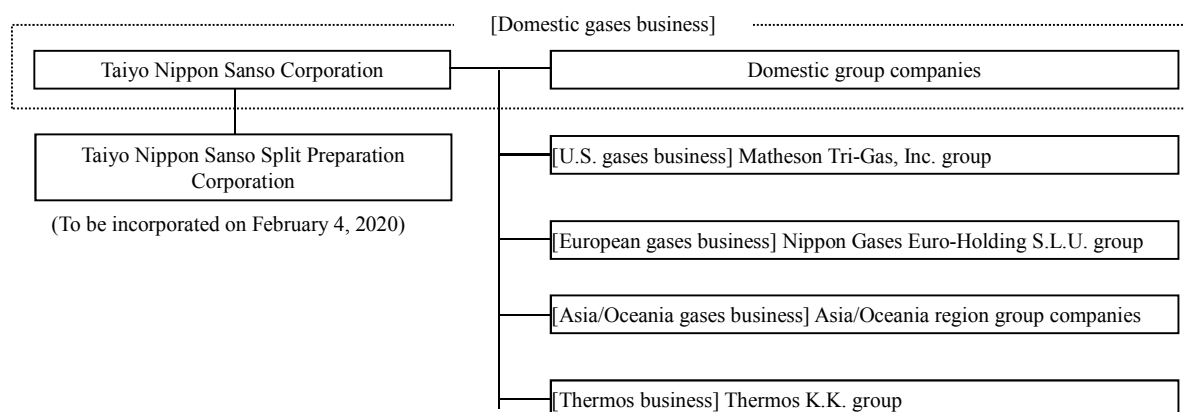
5. Future outlook

Details of the company split, and the specifics of the post-transition to a holding company structure will be announced once they are determined in the future.

6. Group structure after the transition to a holding company structure (image)

(Before the transition) As of February 4, 2020 (tentative)

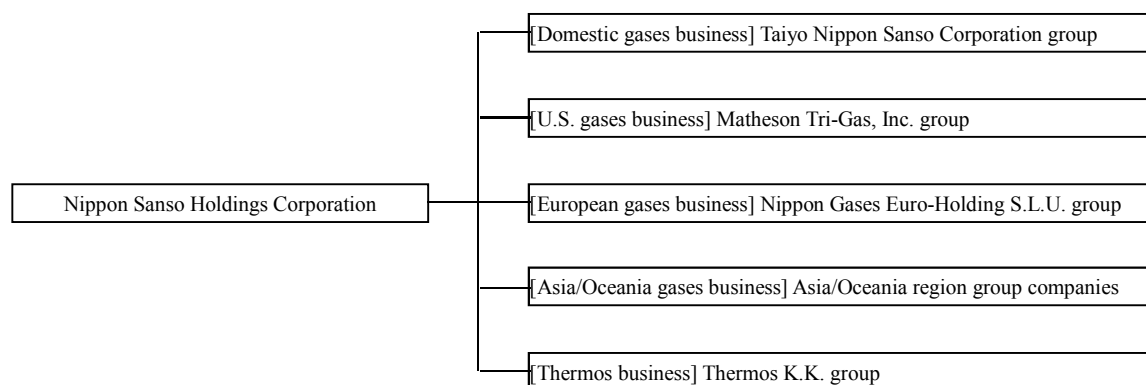
TNSC, primarily engaged in the domestic gases business, holds shares in the domestic and overseas group companies.



(From October 1, 2020 (tentative))

TNSC will split its assets (including the shares in the domestic group companies, but excluding Thermos K.K.) and liabilities related to its domestic gases business, transfer them to "Taiyo Nippon Sanso Split Preparation Corporation," and become a

pure holding company. TNSC and “Taiyo Nippon Sanso Split Preparation Corporation” will change their tradenames to “Nippon Sanso Holdings Corporation ” and “Taiyo Nippon Sanso Corporation,” respectively.



II. Amendment to the Articles of Incorporation (Tradename Change)

1. Reason for the amendment

Subject to the Company Split taking effect, TNSC will change its tradename provided in Article 1 of its Articles of Incorporation to “Nippon Sanso Holdings Kabushiki Kaisha (“Nippon Sanso Holdings Corporation” in English)” upon the transition to a holding company structure, in order to demonstrate that TNSC group is a global industrial gases group (a global gas major) originated in Japan. Changes to the holding company’s business purposes and other relevant matters will be disclosed in a timely manner once they are resolved by the board of directors.

2. Specifics of the amendment

(Present)

Article 1 (Tradename)

The name of the Company is *Taiyo Nissan Kabushiki Kaisha* and is indicated in English as *Taiyo Nippon Sanso Corporation*.

(After amendment)

Article 1 (Tradename)

The name of the Company is *Nippon Sanso Holdings Kabushiki Kaisha* and is indicated in English as *Nippon Sanso Holdings Corporation*.

3. Timetable

Late June 2020 (tentative)	Approval of the agenda regarding the amendment to the Articles of Incorporation at the ordinary general meeting of shareholders
October 1 2020 (tentative)	Amendment to the Articles of Incorporation takes effect.